

**Before the  
Federal Communications Commission  
Washington, DC 20554**

In the Matter of	)	
High-Cost Universal Service Support	)	WC Docket No. 05-337
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45

**COMMENTS OF YOURTEL AMERICA, INC.**

YourTel America, Inc. (“YourTel” or “Company”), through its undersigned counsel, respectfully submits these Comments in response to the request of the Federal Communications Commission (“Commission” or “FCC”) for comments on the recommendations of the Federal-State Joint Board on Universal Service (“Joint Board”) regarding certain long term, comprehensive High-Cost universal service fund (“USF”) reform proposals, including the use of reverse auctions for distribution of High-Cost support.<sup>1</sup> The Joint Board specifically recommended that the Commission seek comment on the potential impact of the High-Cost USF reform proposals on low income Lifeline and Link Up programs, acknowledging that any such impact is an “important consideration” for the Commission as part of any High-Cost USF reform efforts.<sup>2</sup>

While YourTel takes no position on the merit of reverse auctions for the distribution of High-Cost support (or on any other of the High-Cost USF reform proposals), to the extent that a

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<sup>1</sup> *High-Cost Universal Service Support, et al.*, WC Docket No. 05-337 and CC Docket No. 96-45, Notices of Proposed Rulemakings, FCC 08-22, 08-4 and 08-5 (rel. Jan. 29, 2008).

<sup>2</sup> *Id.* at Appendix A, Federal-State Joint Board on Universal Service Recommended Decision, ¶73.

reverse auction process is adopted by the Commission, the Company submits that the Commission must make clear that there will continue to be a process for carriers to participate in the low income Lifeline and Link-Up universal service program without mandatory participation in any reverse auctions or the High-Cost program. YourTel also encourages the Commission to explore options for the use of universal service funding to support the deployment of broadband services to low income consumers who currently cannot afford such services.

## **I. INTRODUCTION**

YourTel is a small, privately-owned telecommunications carrier headquartered in Kansas City, Missouri that provides local and long distance services to low income customers in Kansas, Missouri and Oklahoma. YourTel has been designated as an Eligible Telecommunications Carrier ("ETC") by the public utility commissions in Kansas, Missouri and Oklahoma and has been an active participant in the USF low income Lifeline and Link-Up program since 2003. The vast majority of YourTel's customers are Lifeline eligible and 95% of them did not have telephone service prior to purchasing YourTel's services.

## **II. LIFELINE-ONLY PARTICIPATION MUST CONTINUE TO BE PERMITTED**

As mentioned, YourTel has received ETC designation in the states in which it provides services; however, the Company does not receive any High-Cost support funding. YourTel participates in the low income Lifeline/Link-Up program only, which is permitted under the current USF program requirements. Indeed, other than they both require ETC designation for participation and High Cost recipients are obligated to participate in the Lifeline/Link-Up program as well, Lifeline/Link-Up and High-Cost are completely separate universal service support programs. The Lifeline/Link-Up program supports basic telephone services to low

income consumers, while the High-Cost program supports the network facilities to provide basic telephone services to consumers living in High-Cost areas. Moreover, different consumers benefit from the programs, different forms are used, and different types of support are distributed. However, because of the ETC designation commonality between the programs and the mandatory Lifeline participation for High Cost recipients, YourTel finds that there is often confusion that a carrier is permitted to participate in the Lifeline program only.

For example, in the recent proceedings to consider TracFone Wireless, Inc.'s ("TracFone") and Virgin Mobile USA, L.P.'s Lifeline-only ETC applications before the FCC, comments were filed arguing that Lifeline-only ETC authority was not permitted.<sup>3</sup> While the Commission ultimately rejected that argument by granting TracFone Lifeline-only ETC status,<sup>4</sup> such comments are indicative of some misperceptions in the industry and by state governments that a carrier must participate in the High-Cost program in order to participate in the Lifeline program as well.

That being said, for purposes of this proceeding, YourTel is concerned that to the extent that any reverse auction process is adopted for distribution of High-Cost support, without clarification, an unintended consequence may be that Lifeline-only carriers such as YourTel may

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<sup>3</sup> See *TracFone Wireless, Inc.'s Petition for Designation as an Eligible Telecommunications Carrier in the District of Columbia*, CC Docket No. 96-45, at 2 (filed February 27, 2008) ("The Act does not generally allow ETCs the ability to pick and choose which of the supported universal services they will offer."); see also *TracFone Wireless, Inc.'s Petitions for Designation as an Eligible Telecommunications Carrier in the States of Delaware and New Hampshire and the Commonwealth of Pennsylvania and Virgin Mobile USA, L.P.'s Petitions for Forbearance and Designation as an Eligible Telecommunications Carrier in the States of New York and the Commonwealths of Pennsylvania and Virginia*, CC Docket No. 96-45, Comments of the United States Telecom Association, at 2 (filed Jan. 14, 2008).

no longer be able to continue to participate in the Lifeline/Link-Up program without mandatory participation in the High-Cost program as well. For example, if ETC designation were only accomplished through a reverse auction process, then it could be the case that only those carriers that participate in the High-Cost program also would be eligible to participate in the Lifeline/Link-Up program. Accordingly, YourTel submits that as part of any reverse auction procedures that may be adopted, it is vitally important for the Commission to make it clear that such procedures will not prohibit or otherwise restrict other carriers from obtaining ETC status in order to participate in the low income Lifeline/Link-Up program. Furthermore, as a general matter, YourTel encourages the Commission to specifically confirm that carriers, regardless of whether they are wireless or wireline, are permitted to participate in the Lifeline/Link-Up program without any participation in the separate High-Cost program. Any potential confusion on this issue needs to be put to rest and YourTel believes that this proceeding presents an excellent opportunity to do so.

As reinforced by the recent Commission requirement that ETC's provide DTV transition information to Lifeline/Linkup customers, carriers such as YourTel that focus their services on Lifeline consumers provide a valuable benefit to the public, the Commission and the USF program itself.<sup>5</sup> They do not advertise and provide Lifeline services out of High-Cost obligations, but instead do so as an integral part of their business plans. As a result, in YourTel's experience, outreach to the community about the Lifeline program is significantly higher in areas

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<sup>4</sup> See *Federal-State Joint Board on Universal Service; TracFone Wireless, Inc.*, CC Docket No. 96-45, Order, FCC 08-100 (rel. Apr. 11, 2008).

<sup>5</sup> See *DTV Consumer Education Initiative*, MB Docket No. 07-148, Report and Order, FCC 08-56 (rel. March 3, 2008).

served by Lifeline-only providers, and, thus, it follows that more eligible low income consumers become aware of, and participate in, the Lifeline program in these areas than they otherwise would have without the increased outreach efforts.

The goal of the Lifeline program is to ensure that low income consumers are able to purchase and receive basic telephone services. As previously mentioned, in YourTel's case, 95% of its customers did not have telephone service prior to become a customer of the Company -- that statistic speaks volumes about the valuable service that YourTel and other Lifeline-only carriers are providing to the public, the Commission and the USF program in achieving the Lifeline program's goals. YourTel submits that this valuable contribution should not be halted or otherwise altered due to unrelated High-Cost reform efforts. Therefore, YourTel strongly urges the Commission to make it clear that even if any reverse auction procedures are adopted, those procedures do not alter in any way a carrier's ability to obtain, and continue to use, ETC designations for the purpose of receiving support for providing Lifeline services to low consumers. Furthermore, the Commission should use this proceeding as an opportunity to specifically confirm that carriers are permitted to participate in the Lifeline/Link-Up program only, so as to clear up any potential confusion that may exist on that issue.

### **III. EXPANDING USF SUPPORT TO BROADBAND SERVICES FOR LOW INCOME CONSUMERS SHOULD BE EXPLORED**

As a Lifeline customer-focused telecommunications carrier, YourTel observes first-hand the woeful lack of access to broadband services experienced by low income consumers in this country. Without the Lifeline universal service support and the efforts by companies such as YourTel to obtain and retain low income customers, these consumers would not otherwise have

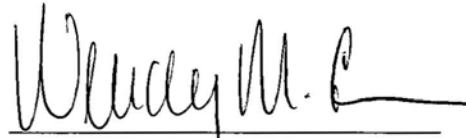
telephone services. The same might be true for broadband -- without some type of government support and focused outreach efforts by service providers, low income consumers may not be able to obtain broadband services, leaving them out of the broadband revolution that other consumers in this country will continue to experience. Indeed, low income consumers pose a unique, but important, challenge for broadband deployment efforts, and, thus, YourTel encourages the Commission to explore options for expanding support to these customers. YourTel believes that at the very least a rulemaking proceeding should be initiated to facilitate timely and meaningful discussion on this issue, although the creation of a task force of government, industry and consumer participants may be the most effective way to thoroughly study and analyze options for USF broadband support to these consumers. YourTel would wholeheartedly support such an endeavor and would be happy to participate in, and contribute resources to, a special task force on this important issue.

#### **IV. CONCLUSION**

In conclusion, YourTel respectfully requests that, to the extent that the Commission adopts of any type of reverse auction process for the distribution of High-Cost support, the Commission also make it clear that those procedures would not alter in any way a carrier's ability to obtain, and continue to use, ETC designations for the purpose of receiving support for providing Lifeline services to low consumers. Lifeline-only carriers provide a valuable contribution to public, the Commission and USF program in achieving the Lifeline program goals, and those providers should be allowed to continue in these efforts rather than be derailed by unrelated reforms to the High-Cost distribution system. As such, the Commission should also use this proceeding as an opportunity to specifically confirm that carriers are permitted to

participate in the Lifeline/Link-Up program only, so as to clear up any potential confusion that may exist on that issue. Finally, YourTel further submits that like telephone services, broadband deployment may not occur with low income consumers without universal service support mechanism, and, thus, YourTel encourages the Commission to further explore options for expanding USF support to broadband services for low income consumers, perhaps by initiating a rulemaking proceeding or creating a special task force (in which YourTel would be happy to participate) to thoroughly and effectively study and analyze this important issue.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Wendy M. Creeden", with a horizontal line underneath.

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